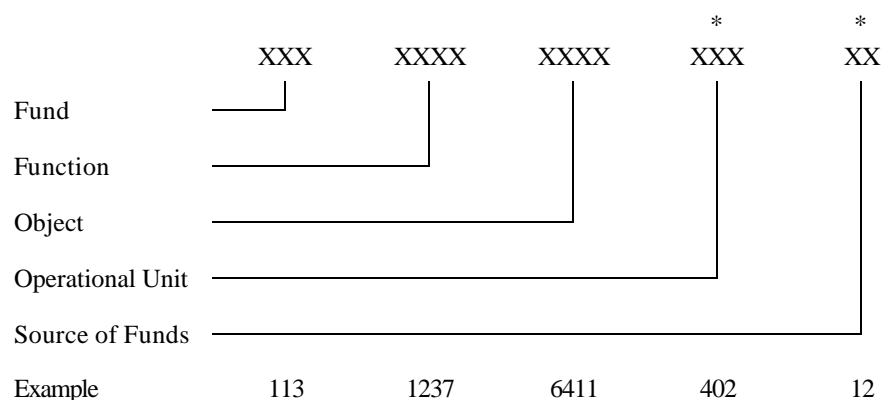


## Code Structure

The overall account code structure is designed to serve as an efficient account coding facility and a basic management tool. It creates a common language for use in controlling, recording, accumulating, and reporting the activities of the school districts.

This accounting code structure is designed to satisfy many uses by segmenting the code into several dimensions. Each dimension has a set of descriptors that permits the retrieval of information in whole or in part to answer commonly asked questions. In addition, revenues and expenditures can be aggregated using one or more dimensions of the account code.

The code ranges of the basic system are illustrated below:



\* Optional Use

## Fund Code

The fund code consists of two basic elements: the first two digits indicate the type of fund and the last digit indicates the fiscal year. For example in fund 113 the first digit indicates that the purpose of this fund is General (Incidental) Fund. The second digit indicates the operating subfund of the General (Incidental) Fund. The third digit indicates that it is for the 2002-2003 fiscal year.

## Function Code

The function code describes the action, purpose, or program for which activities are performed. For example, in function code 1237, Hard of Hearing, the first digit indicates the general area of instruction. The second digit denotes special programs. The third digit identifies a physical or sensory handicap. The fourth digit specifies instruction dealing with hard of hearing impairment.

## Object Code

The object code consists of three parts: the account classification, the object code, and the subobject code. The account classification code (first digit) identifies the general ledger section such as assets, liabilities, fund balance or budgetary accounts. All revenue objects will be classified as "5's"; all expenditure objects will be classified as "6's." The revenue object code (second digit) identifies the source of revenue, such as local (1), county (2), or state monies (3). The expenditure object code (second digit) identifies the service or commodity obtained, such as salaries (1), benefits (2), purchased services (3), or supplies (4). The subobject code (third and fourth digit), further identifies certain revenues or expenditures.

## Operational Unit Code

The operational unit code refers to individual campuses within a district and individual components within the administration, school service, maintenance, and operation divisions. The district may use DESE's core data building codes, dropping the last digit or adjusting the third digit to distinguish separate campuses. Otherwise the district may use any code it wishes for its other operational or "cost" units. Suggestions related to these other uses are found in Section J, Operational Unit Codes.

## Source of Funds/Project Code

The source of funds/project code is used to identify a subset of the General (Incidental), Special Revenue (Teachers), and Capital Projects Funds that is part of a specific grant. The source of funds/project code may also be used to aggregate costs across subfunds, such as teachers' salaries and supplies, to construct the reports necessary for various granting agencies. When used to identify a federal project, the source of funds/project code may also be associated with accounts receivable, accounts payable, and fund balance accounts pertaining to that project. With the exception of the cash account, a balance sheet for the project may be drawn from the general ledger utilizing this code dimension.

## Fund Codes

<b>Class</b>	<b>Code</b>	<b><u>Detail</u></b>	<b><u>Fund Title</u></b>
10X			<u>General (Incidental) Fund</u> - The purpose of this fund is to account for all transactions having to do with the operations of the school district's regular programs, except those required to be accounted for in another fund.
	11X		<u>Payroll Subfund</u> - This subfund is an interim fund only and shall not appear on end-of-year financial statements as a separate entity, but will be merged with the General (Incidental) Fund. The use of this subfund is optional and is used mainly by larger districts.
	12X		<u>Operating Subfund</u> - This subfund comprises the bulk of school district revenues and expenditures in the General (Incidental) Fund and includes all transactions not addressed within one of the separate subfunds.
	13X		<u>Free Textbook Subfund</u> - This subfund is used to account for foreign insurance (free textbook) related transactions.
20X			<u>Special Revenue (Teachers) Fund</u> - The purpose of this fund is to account for revenue sources legally restricted for expenditures for teachers' salaries, health insurance benefits for teachers, and tuition payments to other districts.
30X			<u>Debt Service Fund</u> - The purpose of this fund is to account for all transactions affecting the value of the unpaid principal of bond issues, value of cash on deposit in the fund, the value of any temporary investments, the amount of current interest and principal requirements of long-term debt, and paying agent fees.



# MISSOURI FINANCIAL ACCOUNTING MANUAL

Section: E - Accounting Codes

Subject: Accounting Code Overview

Code	Class	<u>Detail</u>	<u>Fund Title</u>
40X		<u>Capital Projects Fund</u> – The purpose of this fund is to account for all facility acquisition, construction, lease purchase principal and interest payments, and all other capital outlay expenditures with the exception of certain expenditures for classroom instructional capital outlay.	
	41X	<u>Bond Proceeds' Capital Outlay Subfund</u> - This subfund comprises a school district's capital outlay expenditures paid with proceeds from the sale of bonds.	
	42X	<u>Regular Capital Outlay Subfund</u> - This subfund comprises the bulk of a school district's annual capital outlay transactions, whether for routine capital outlay purchases, lease purchase principal and interest payments, or facility acquisition and construction paid from annual revenues and/or fund balances.	
50X		<u>Food Service/Enterprise Fund</u> - This fund is an interim fund only for those districts operating a federally funded school lunch program consisting of local meal receipts, state matching money, and Federal Food Service funds. This is an enterprise activity with a unique set of general ledger accounts designed to determine profit and loss in a manner similar to commercial enterprises. This fund may require support from the General (Incidental) Fund. This fund will be merged with the General (Incidental) Fund for state reporting purposes.	
60X		<u>Student Activities/Trust Fund</u> - This is an interim fund only and includes all student activity transactions not identified in other funds and all athletic activities that are not a part of the regular instructional program. This fund must be merged with the General (Incidental) Fund for final state reports. At the LEA's option, fund 60X may be subdivided to use 61X for student activities and 62X for athletics.	
70X		<u>Intraschool Service Fund</u> - This fund is used only by certain large districts to accomplish intradistrict billing of common services. It must be merged with the General (Incidental) Fund for final state reports.	
80X		<u>Capital Assets Account Group</u> - This set of non-revenue, non-expenditure accounts will account for specific pieces of property (capital assets), such as equipment, land, and buildings, acquired by the other funds. This account group is of a continuing running-total type updated at the end of each fiscal year.	
90X		<u>General Long-Term Debt Account Group</u> - This set of non-revenue, non-expenditure accounts are used to record unmatured general long-term liabilities such as bond issues and lease purchase agreements. An approved bond register can be the source of data for the records in this account group.	

(NOTE: Smaller school districts may not use all of the above funds or subfunds. Larger districts may need to use all of the funds outlined above plus the project codes described in Section J, Project Code Description.)

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